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FORM MR-AR  
(Revised 1/2006)

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple - Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940

## ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 01-01-05 To (mo./yr.) 12-31-05
2. DOGM File Number (Mine No): M310002
3. Mine Name: Koosharem
4. Mineral(s) Mined (or permitted to mine): Kaolin
5. Type of mine: ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):  
SW 1/4, SE 1/4, SE 1/4, Section 2, Township 27S, Range 2W  
SE 1/4, SE 1/4, SE 1/4, Section \_\_\_\_\_, Township \_\_\_\_\_, Range \_\_\_\_\_  
\_\_\_\_ 1/4, \_\_\_\_ 1/4, \_\_\_\_ 1/4, Section \_\_\_\_\_, Township \_\_\_\_\_, Range \_\_\_\_\_
7. Name of Operator or Company: Paradise Management Inc.
8. Permanent Street Address: 905 North Main Street  
City, State, Zip: Fillmore, UT 84631  
Phone: 435-743-5848 Fax: 435-743-5844 E-mail: \_\_\_\_\_
9. Company Representative (or designated operator):  
Name: Don W. Fuller  
Title: President  
Business Address: 905 North Main Street  
City, State, Zip: Fillmore, UT 84631  
Phone: 435-743-5848 Fax: 435-743-5844 E-mail: \_\_\_\_\_  
☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☒ No ☐
2. If no - what was the last year of activity? \_\_\_\_\_

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3. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material. 18,095.89 U.S tons of ore were mined and removed. An additional 1500 U.S. Tons of topsoil and waste were moved and stored in berms at the perimeter of the disturbed area for use in future reclamation.
4. Briefly describe the type of work performed, during the past year. Open pit mining consisting of ripping, stock piling, loading and shipping 18,095.89 tons of ore were removed.
5. How much **new or additional acreage** was disturbed during the past year? None
6. How much acreage was **reclaimed** during the past year? None
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results. (Submit form MR-SITE for an application for full or partial bond/site release). None
8. What is the **total** disturbed acreage of entire project at years end? 11.75
9. Briefly summarize any mining and/or reclamation plans for the upcoming year. Continue mining operation in accordance with approved mining plan
10. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.

**NOTE:** Section III., "Additional Information" applies only to **large mining operations**.

**III. Additional Information - R647-4-121.2**

1. **Include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.**

**IV. Signature Requirement**

**I hereby certify that the foregoing is true and correct.**

Name (Typed or Print): Don W. Fullmer

Title of Operator: Paradise Management Inc./ President

Signature of Operator: Don W. Fullmer

Date: 01-27-06